

WACC Global Consolidated Q1 2026 Financial Report Summary

WACC Global recorded a strong first quarter financial position for 2026, reporting total Programme & Projects Funding of CAD \$694,053 compared to CAD \$449,528 in Q1 2025 and a Q1 budget of CAD \$437,098. This represents a favourable variance of CAD \$244,525 year-over-year and CAD \$256,955 above budget.

The favourable performance was driven primarily by the timing and receipt of major donor grants, particularly Bread for the World (BfdW), which accounted for approximately 68% of total funding during the quarter. CAP-related BfdW funding totalled CAD \$281,102 while BfdW Core funding contributed CAD \$186,001. ELCA funding also remained strong at CAD \$177,465.

Although overall revenue performance was significantly above budget, the organization continues to face structural core funding pressures. Self-generated income totalled only CAD \$9,346 against a quarterly budget of CAD \$24,158, while Project Overhead Funding was CAD \$4,933 compared to a budget of CAD \$20,387. The report continues to highlight the urgent need to secure approximately CAD \$950K in new sustainable core funding to support long-term operational stability.

Programme & Projects Costs for the quarter totalled CAD \$497,385 compared to CAD \$475,992 in Q1 2025 and a budget of CAD \$528,992. This resulted in spending being CAD \$31,606 below budget despite increased programme activity. Direct Project Costs remained largely aligned with funding flows and totalled CAD \$391,227. CAP expenditures increased significantly to CAD \$218,416 due to the implementation of the new CAP 2025 programme during the quarter.

Staffing costs totalled CAD \$148,078, remaining CAD \$8,773 below budget despite increased programme demands and inflationary pressures. Operating Programme Costs totalled CAD \$106,159 and were also favourable to budget by CAD \$24,220. However, several expense categories continue to require management attention, particularly Dues & Subscriptions and Travel & Accommodation, both of which exceeded budget expectations during the quarter. Audit, Legal & Professional Fees remain a significant annual cost driver due to the apparently unnecessary requirement to maintain three separate sets of accounting, compliance and audit work across the WACC structure (WACC CA, WACC UK and WACC Global).

WACC Global reported an accounting surplus of CAD \$196,667 for Q1 2026 compared to a deficit of CAD \$26,464 in Q1 2025 and a budgeted deficit of CAD \$91,894. Please note, however, that this surplus is very temporary in nature and primarily reflects the timing difference between the receipt and expenditure of BfdW programme funds, particularly within CAP activities.

As in prior periods, reserve drawdowns from WACC Canada's Aqueduct Fund were intentionally delayed during the quarter in order to maximize investment income and cash flow flexibility. Consequently, no reserve transfers were required during Q1 2026.

The Aqueduct investment portfolio remained relatively stable at an estimated market value of CAD \$3.51 million at quarter end, slightly below prior year levels but significantly above budget expectations.

Key Strategic and Financial Observations

- WACC remains heavily dependent on Bread for the World funding, which currently represents approximately 68% of total quarterly revenue. Continued diversification of donor funding and increased self-generated income streams remains critical areas for management attention.
- Core funding and project overhead recovery remain the organization's primary long-term financial risk.
- Programme expenditures remain well controlled overall, with staffing and operational costs generally tracking below budget.
- Continued investment in organizational rebranding, outreach and fundraising infrastructure may be necessary to improve long-term sustainability and donor diversification.
- Management should continue monitoring travel, subscription, and professional fee expenditures to ensure alignment with available unrestricted funding.
- Investment reserve management continues to support organizational cash flow stability and reduce unnecessary reserve drawdowns.

Overall, Q1 2026 reflects a financially stable operational quarter with strong donor inflows and disciplined expenditure management. However, the underlying structural challenge of insufficient unrestricted core funding remains unresolved and will continue to require strategic management attention throughout 2026.